

**AGENDA ITEM 10:     Consider Commission support letter on A.B. 732 (Delta Levees Subventions Program)**

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Requested Action: **Consider letter of support for A.B. 732**

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**Background:** The Delta Levees Subventions Program (Water Code sections 12980-12995) provides local levee maintaining agencies reimbursement for eligible levee maintenance and rehabilitation costs, in an amount up to 75% of costs incurred in excess of \$1000 per levee mile. The Legislature established the levee funding program to provide the funds necessary to maintain and improve Delta levees to protect the physical characteristics and to promote agricultural and habitat uses in the Delta consistent with preserving the Delta invaluable resources (Water Code §12981). All levees in the Primary Zone are eligible, but only non-project levees are eligible in the Secondary Zone.

As of July 1, 2018, the 75% cost share provision will reduce to 50%. This will place a much greater financial burden on levee maintaining agencies, many of which are at the limit of their ability to pay current cost shares. These agencies maintain Delta levees in a cost-effective manner; levees that also protect important infrastructure and ensure the movement of fresh water throughout the Delta, including to the export pumps.

The CA Central Valley Flood Control Association is the sponsor of AB 732, authored by Assemblyman Jim Frazier, to make permanent the 75% cost-share provision by deleting the July 1, 2018 sunset clause. The legislation is similar to a bill authored by Senator Wolk last year, SB 554, that was approved by the Legislature but vetoed by Governor Brown as being premature due to pending levee funding study by DPC and the Delta Levee Investment Strategy (DLIS) by DSC.

Since the Governor's veto, the DSC has proposed language in its draft Delta Plan Flood Chapter declaring the existing maximum 75% cost share by the State should be extended indefinitely (proposed RR R4). The Commission has also voiced support for the Delta Levees Subventions Program and current 75-25% state-local cost share formula, most recently in a letter to the DSC on DLIS and in the levee policy statement adopted by the Commission in 2015 and in Vision 2030 (Commission strategic plan). AB 732 is vitally important to ensure continued maintenance and improvement of the Delta levee system, and is critical to the protection and enhancement of the unique Delta values.

Requested Action: Approve proposed support letter for A.B. 732.